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MONTHLY REPORT



THE SITUATION IN SOUTH VIETNAM

5 May 1965

**INTELLIGENCE AND REPORTING SUBCOMMITTEE OF THE INTERAGENCY
VIETNAM COORDINATING COMMITTEE**

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I. SOUTH VIETNAM MONTHLY SITUATION REPORT

A. POLITICAL SITUATION

1. The government of Prime Minister Quat appears to be entering its most delicate phase since the abortive coup that followed shortly after its installation last February. The level of political stability achieved during the past few months has not deteriorated visibly and the Quat leadership has continued to demonstrate energy and improved efficiency in handling the numerous and varied crucial issues at hand. Nevertheless there are some disturbing signs of strain within the civilian leadership and in its relations with military and religious leaders. The next few weeks may well test to the fullest Quat's qualities of political realism and flexibility.

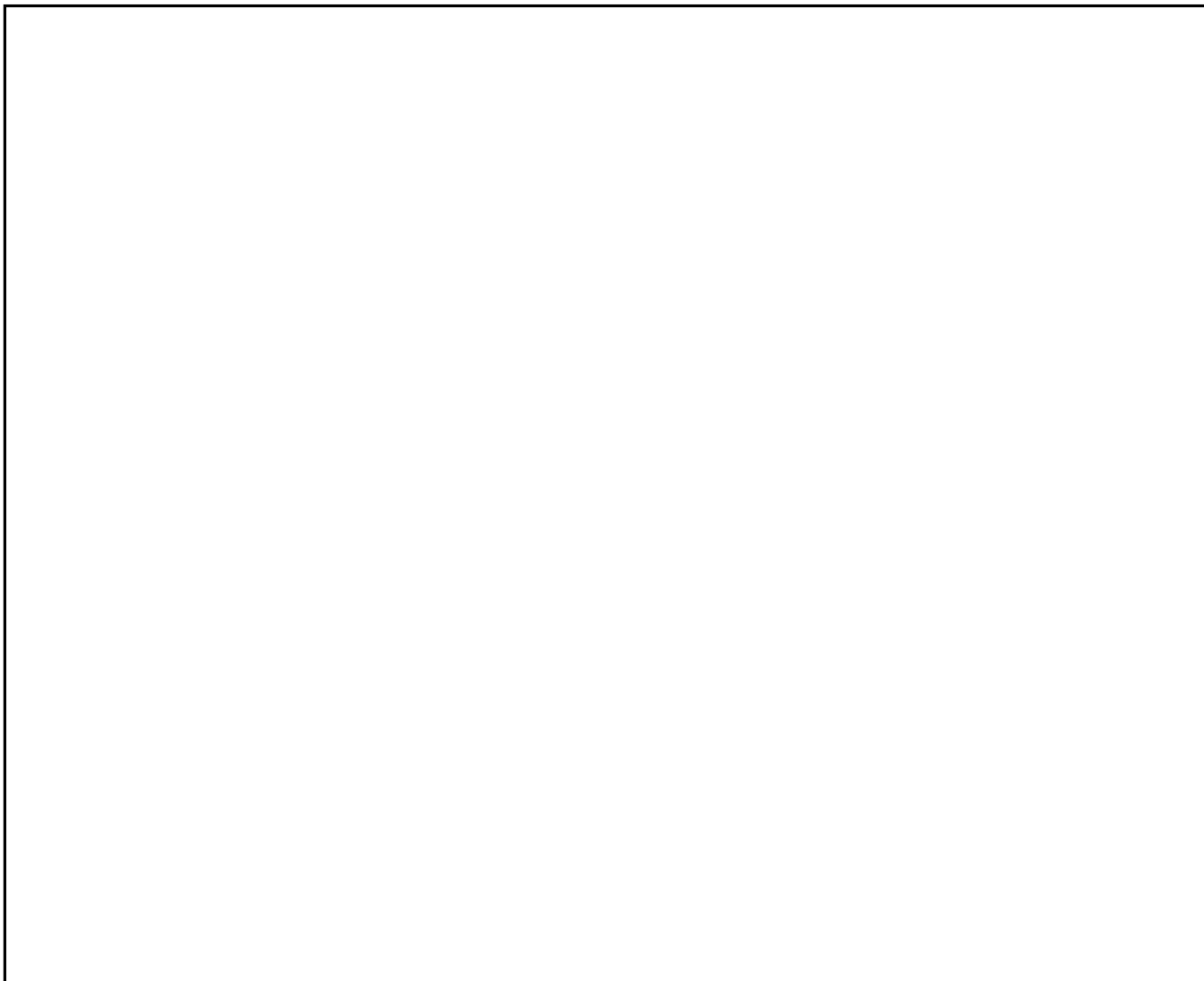
2. Thus far Quat has moved steadily to energize and streamline his bureaucracy and the counterinsurgency effort, consolidate his personal position particularly within Buddhist and military circles, and improve his public image and that of his government as widely as possible at both the domestic and international levels. While striving for an increasingly effective counterinsurgency effort against the Viet Cong and endorsing continued airstrikes against the north and against insurgent forces in the South, Quat has maintained a flexible position on the earlier "peace" issue and on the more recent question of a political settlement of the Vietnam crisis. In both respects he seems to have a broader consensus behind him than was enjoyed by past Vietnamese governments, and morale has improved in both the official and public sectors.

3. However, certain developments during the past few weeks have again confirmed that the political situation, though stabilized temporarily, remains basically fragile or at least heavily dependent on a variety of factors not always predictable or controllable. For

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4. Thus far Quat has demonstrated considerable discrimination and realism in selecting attainable objectives while avoiding issues that could disrupt progress or destroy the still precarious internal power balance. For the first time since his advent to power, Quat may be overestimating his position of strength or at least overstretching the limits of his political flexibility and adroitness. The next few weeks could produce either a major political breakthrough or a setback for Quat.

-2-

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Economic Situation

5. Rice deliveries from the Mekong delta to Saigon continued to be below normal during April. The price of rice has risen further and the stockpile in Saigon is substantially below the level of April 1964. However, business confidence and the level of business activity have increased and licensing of imports is going ahead briskly.

6. Because of the comparative lull in Viet Cong activity since March, the refugee problem in the northern provinces has not increased as seriously as was expected. There have been reports that refugees in some areas are returning to their former places of residence.

B. MILITARY SITUATION

1. For the second consecutive month, the Viet Cong maintained an essentially defensive posture and sought to avoid direct confrontations with major units of the South Vietnamese Army; with most, important contacts were made at the initiative of the ARVN. During the month, the Communists maintained a relatively low incident rate. They conducted few armed attacks and concentrated their main effort on terrorism, harassments, and other small-scale activities which employed a minimum of forces.

The Viet Cong concentrated most of this activity in IV Corps with their secondary effort in the northern I Corps area. Only 43 armed attacks were reported, the fewest number on record for a single month. Of these, only five attacks could be considered as company-size or larger. The most significant occurred in Hau Nghia and Kien Hoa provinces during the last week of the month, when enemy battalions attacked a Ranger battalion and Junk Force/Popular Forces personnel, inflicting heavy casualties.

April did not favor the Viet Cong. Despite the decline in enemy activity the Viet Cong continued to sustain a high rate of casualties, particularly killed in action, while government forces experienced a sharp decline of in total casualties and in KIA. The weapons-loss ratio favored the government, with the Viet Cong losing more weapons than the government forces. The number of Viet Cong defecting under the Chieu Hoi (Returnee Program) has continued its rise since January and in April reached beyond the 500 mark.

2. Virtually all major contact with the enemy during the month was the result of government-initiated military operations. Continuing the pattern started in March, the government conducted aggressive forays into Communist-controlled territory and scored a number of successes. While most operations made no contact with enemy forces, several of those that did were marked by the killing of large numbers of Viet Cong and the destruction of large amounts of supplies, foodstuffs, and munitions.

Despite the relatively light Communist military activity during April, the Viet Cong continued their consolidation of previous gains and the building up of their political infrastructure, especially in areas previously considered as being under government control. Reports have indicated that the Communists were regrouping for training, possibly in preparation to resume the offensive. A buildup of enemy forces in the Quang Tin/Quang Ngai area has recently been reported.

The current lull in enemy activity has extended for nearly two months, which suggests that the Viet Cong decision to stand down their activities may have involved factors beyond that for normal training requirements. While a high casualty rate and material losses are probably important factors in the lack of the Viet Cong aggressiveness which characterized the Communist February offensive, it also seems likely that the Viet Cong are having to

reassess their present military capabilities and overall strategy in light of greatly increased US presence and participation in the war.

Significantly, many operations were conducted in remote areas under Communist control, reflecting a major US advisory effort to step up government search-and-destroy operations during a period of relative Viet Cong military inactivity.

The Viet Cong KIA figures rose sharply during April as a result of the more effective prosecution of the war. In Viet Cong War Zone D north of Saigon, the enemy was deprived of a large amount of food through its capture by friendly forces. In Kien Hoa, government seizure of five to ten tons of munitions disclosed an area under Viet Cong control which apparently had been a major point for the landing of supplies infiltrated by sea.

Government of Vietnam force strengths for March experienced a net loss from the previous month. For comparison, actual GVN force strengths for February and March are listed below:

	<u>February</u>	<u>March</u>
Regular Force	245,453	245,061
Regional Force	99,143	100,018
Popular Force	<u>161,600</u>	<u>156,619</u>
Total	506,196	501,698

Desertions since the first of the year continue high and are:

	<u>January</u>	<u>February</u>	<u>March</u>
Regular Force	2,384	2,532	5,018
Regional Force	1,160	812	1,137
Popular Force	<u>3,359</u>	<u>3,894</u>	<u>5,010</u>
Total	6,903	7,238	11,165

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Despite the favorable trend of government operations during the past month, a resurgence of Viet Cong activity is expected in the coming wet summer monsoon season, which generally favors the guerrilla operations. While recent government successes may have tended to set back the Communist timetable, it seems as likely that the Viet Cong have had to sit back and take stock of a new ingredient, the greatly increased US participation in the war. If the Viet Cong have decided upon a change of tactics, their expected offensive will probably take the form of greatly intensified small-scale activities--terrorism, harassment, and sabotage--which provides for economy of force, through the use of small bands of guerrillas, Such tactics would be difficult to counter.

C. RURAL RECONSTRUCTION

1. Nationwide progress in the Rural Reconstruction effort was largely stalled during April. The main emphasis continued to be placed on planning activities; little in the way of tangible results was achieved.

2. During the month, the governmental organizational framework of the counterinsurgency program was overhauled. This reorganization was designed to give the GVN greater flexibility in controlling national Rural Reconstruction efforts. One of the first tasks undertaken by the new Central Rural Reconstruction Council, acting in concert with the minister of social welfare has been assigned to deal with the refugee problem which continues to plague the authorities in Central Vietnam.

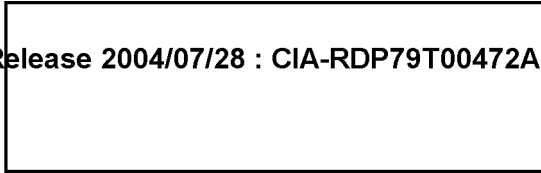
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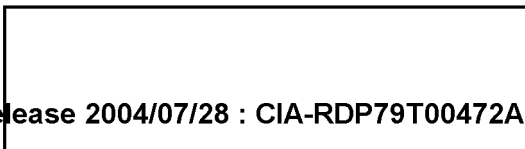
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II. DEVELOPMENTS IN THE BLOC

North Vietnamese leaders consulted with top level officials in both Moscow and Peiping during April. The week long visit in Moscow of Lao Dong Party Secretary Le Duan resulted in a joint Soviet-Vietnamese communique which constituted the strongest Soviet endorsement to date of Hanoi's political objectives in Vietnam and provided for new, though, unspecified Soviet military assistance. There was no announcement as to the results of the five-day consultations between Le Duan and Chinese leaders the following week. In both Moscow and Peiping, however, the talks probably covered the extent and nature of Chinese and Soviet assistance to the Democratic Republic of Vietnam (DRV) and the Viet Cong, and the Communist position on a peaceful settlement of the war in South Vietnam. Hanoi is apparently attempting to maintain a middle ground between the Chinese and Soviets on both these issues, probably hoping to extract the maximum amount of assistance from each party in defending itself against US and South Vietnamese air attacks. North Vietnamese propaganda, for example, continued through April to maintain a relatively balanced coverage of Chinese and Soviet pronouncement on the war.

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[REDACTED] the surface-to-air missile site just outside Hanoi was in the final stages of construction. Other active defense preparations include an augmentation of the jet fighter unit at Phuc Yen airfield by at least eight more MIG 15/17s and an increase in civil defense preparations. The DRV Government ordered dependents of foreign personnel out of the country in mid-April and began to alert its own citizens to the significance and danger of the "new situation" in the wake of the stepped-up US air strikes. The DRV National Assembly was convened from 8 to 10 April to put the country on a wartime footing, and US/GVN bombing attacks were described as creating "stages of war" in certain parts of the country.

There has been no indication of any change in the DRV position on negotiations, although Hanoi has made an attempt to appear more flexible regarding an overall "solution" in Vietnam. At the DRV National Assembly,

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Premier Pham Van Dong described a formula for a "peaceful settlement" of the Vietnam question which it "recognized" would allow consideration of a Geneva-type conference. The "bases" included cessation of attacks on the North and a withdrawal of US forces from the South, settlement in the South in accordance with the Front's program. This formulation has subsequently been widely quoted as the Vietnamese answer to President Johnson's 7 April Baltimore speech, and these proposals are now labeled by Hanoi as the "basis" for the "soundest" peaceful settlement of the Vietnam problem.

The DRV formulation may represent a Vietnamese effort to appear responsive to Moscow's more moderate position on the Vietnamese question. In tone, it is considerably milder than the position taken by the Chinese in both public propaganda and in private diplomatic conversations with neutrals. Chinese propaganda insists that the US stop its bombing of the North, withdraw its troops from the South, and negotiate with the Front as the only representative of the South Vietnamese people. Peiping comes close to making US withdrawal a precondition to any talks.

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III. THIRD COUNTRY DEVELOPMENTS

A. CAMBODIA

1. Sihanouk followed through on his threat to break diplomatic relations with the US on 3 May 1965 using as his official reason the 28 April border incident which claimed the life of a Cambodian youth and wounded two other civilians. The break was somewhat tempered, however, with the Cambodian proposal that consular relations for commercial and tourist reasons be maintained. This proposal, if accepted, leaves the road open for possible future negotiations for the renewal of diplomatic relations and signifies the Cambodian fondness of the American tourist dollar, a lucrative source of hard currency. With his publicly announced threats of a break if "one more Cambodian was killed" as a result of US/RVN "aggression" and his full knowledge of further casualty probabilities, Sihanouk left no alternative to the severance of relations. Moreover, the 5 April Newsweek article helped to precipitate Sihanouk's decision. Chinese Communist pressure is also suspected.

2. On 1 May, Prince Sihanouk clarified his conditions for a Geneva Conference on Cambodia by stating that the conference must exclude the GVN, prohibit any discussion of Vietnamese or Laotian problems, and be modeled after the 1954 Indochina Conference instead of the 1962 Laos Conference. By inference, Cambodia would accept the presence of the United States at this conference. Sihanouk has not indicated any changes in these conditions since the break in Cambodian-United States relations on 3 May.

B. DIPLOMATIC RELATIONS

1. The GVN took the diplomatic initiative in April to improve its image abroad. Deputy Prime Minister Tran Van Tuyen has completed three weeks of a scheduled eight-week goodwill mission to Africa. In Saigon, to which he had temporarily been recalled for domestic political reasons, Tuyen told the press that his African trip had resulted in a better understanding of the GVN and its cause among Africans.

2. Foreign Minister Tran Van Do plans to visit New Delhi on 7 May to present the policy of the GVN and to try to obtain Indian support. His schedule also calls for a stop in Bangkok to express appreciation for Thai support and to discuss strategy for the Afro-Asian Conference in Algiers on 29 June. Do has previously expressed the hope that moves be coordinated so that moderate states either attend or boycott the conference in unison.

3. Vinh Tho, Foreign Office official, told a US official that the GVN will make several ambassadorial appointments to Asia, Africa, and Europe in the near future.

C. THIRD COUNTRY AID

1. Coordination. The GVN established an International Military Assistance Office in early April to help coordinate the programs of nations providing military personnel.

2. Australia. Prime Minister Menzies announced in late April that his government will provide an infantry battalion of 800 men, plus 100 logistical and administrative troops. The battalion, which is expected to arrive in Vietnam in early June, may be attached to the 173rd Airborne Brigade, at least initially at Bien Hoa or Vung Tau, to defend the base areas and to serve as a mobile reserve.

3. New Zealand. The cabinet is giving consideration to sending a combat unit to Vietnam. A definite decision has not yet been made partly, because of the need to line up domestic--including opposition--political support, and partly because of the absence of an official request from the GVN.

4. Japan. With completion of its \$39 million reparations program to South Vietnam, Japan indicated that it would now make available \$9.5 million in commercial credits.

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5. Philippines. In April, the Philippine Government received the first official GNV request for a Philippine contingent. As presently envisaged, the 2,200 man Philippine task force (US-financed) will consist of an engineer battalion (about 1,200 men) and a combat battalion. President Macapagal, faced with a November election, apparently believes he needs to do considerable political spadework before announcing his decision to send the troops although he has indicated to Ambassador Lodge that he expects little difficulty. Greatest resistance, especially from the opposition Nacionalista Party, is anticipated in sending the combat battalion since congressional approval is required for such action. Somewhat less difficulty is expected in sending the engineer troops to engage in pacification work; officers for this unit will start training soon. The task force picture will become clearer after a 7 May meeting between Macapagal and the bipartisan foreign policy consultative committee. Meanwhile, the Philippines has sent its second 35-man medical team

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South Vietnamese and Viet Cong Casualties and
Weapons Losses: 1962 - April 1965

1. General Statistical Data:

Time Period		Viet Cong Incidents	Killed in Action		Wounded in Action		Captured or Missing		Total Casualties		Weapons Losses	
			GVN	VC	GVN	VC	GVN	VC	GVN	VC	GVN	VC
Jan	1962	1825	299	1294	475	211	116	391	890	1396	-	-
	1963	927	453	1754	908	318	102	379	1463	2451	457	683
	1964	1770	343	1223	913	-	555	240	1811	1463	917	532
	1965	2206	904	2203	1938	-	471	565	3313	2768	1700	711
Feb	1962	1460	244	1205	300	316	124	353	668	1874	-	-
	1963	788	379	1082	656	303	82	292	1117	1677	253	399
	1964	2078	374	1055	916	-	303	289	1593	1344	708	471
	1965	1982	880	1564	1840	-	1394	309	4114	1873	2454	620
Mar	1962	1961	523	1456	737	551	140	523	1400	2530	-	-
	1963	1282	410	1443	851	368	66	205	1327	2016	467	367
	1964	2160	439	1456	1249	-	345	531	2033	1987	814	532
	1965	2056	751	2022	1633	-	720	394	3104	2416	1442	698
Apr	1962	1933	387	1596	532	292	151	415	1070	2303	-	-
	1963	1331	506	1660	878	256	96	388	1480	2304	797	468
	1964	2284	594	1671	1584	-	398	245	2576	1916	990	424
	1965	1860	591	1870	1650	-	232	529	2473	2399	757	973
May	1962	1825	390	1756	509	352	94	524	993	2632	-	-
	1963	1208	435	1895	889	256	94	695	1418	2885	463	564
	1964	2143	458	1135	987	-	202	242	1647	1377	723	281
Jun	1962	1477	325	1666	613	416	77	441	1015	2523	-	-
	1963	1311	389	1862	772	310	90	437	1251	2609	580	394
	1964	2062	494	1005	1145	-	313	230	1952	1235	718	387
Jul	1962	1564	384	1544	686	424	212	542	1282	2510	-	-
	1963	1368	529	1918	1071	372	306	387	1906	2677	934	374
	1964	3045	900	1427	1812	-	510	219	3222	1646	1889	447
Aug	1962	1642	377	2271	626	367	63	669	1066	3307	-	-
	1963	1349	411	1685	804	237	352	482	1567	2404	637	428
	1964	2580	721	1449	1612	-	478	282	2811	1731	1106	619

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Time Period		Viet Cong Incidents	Killed in Action		Wounded in Action		Captured or Missing		Total Casualties		Weapons Losses	
			GVN	VC	GVN	VC	GVN	VC	GVN	VC	GVN	VC
Sep	1962	1375	419	2218	646	365	59	446	1124	3029	-	-
	1963	1763	672	1982	1155	234	566	347	2393	2583	607	389
	1964	3091	819	1187	1759	-	737	230	3315	1417	1465	525
Oct	1962	1357	365	1967	619	286	64	373	1048	2626	-	-
	1963	1422	428	1520	989	244	398	236	1815	2000	753	330
	1964	2827	739	1617	1583	-	693	576	3015	2193	1510	482
Nov	1962	1311	410	1982	834	368	92	561	1336	2911	-	-
	1963	3182	664	2333	1554	373	665	252	2883	2958	1595	455
	1964	1982	574	1747	1404	-	410	570	2388	2317	1104	515
Dec	1962	1346	294	2203	618	289	78	463	990	2755	-	-
	1963	1882	389	1440	961	191	320	190	1670	1821	724	546
	1964	2504	1002	1813	2053	-	1092	503	4147	2316	2111	666

Composite Annual Totals

Time Period	VC Incidents	KIA		WIA		Captured or Missing		Total Casualties		Weapons Losses	
		GVN	VC	GVN	VC	GVN	VC	GVN	VC	GVN	VC
1962	19076	4417	21158	7195	4237	1270	5701	12882	30896	5195	4049*
1963	17813	5665	20574	11488	3462	3137	4290	20290	28385	8267	5397
1964	28526	7477	16785	17017	-	6036	4157	30510	20942	14055	5881
1965	8104	3126	7659	7061	-	2817	1797	13004	9456	6353	3002

*Monthly data unavailable for 1962 Weapons Losses.

2. Viet Cong Incidents

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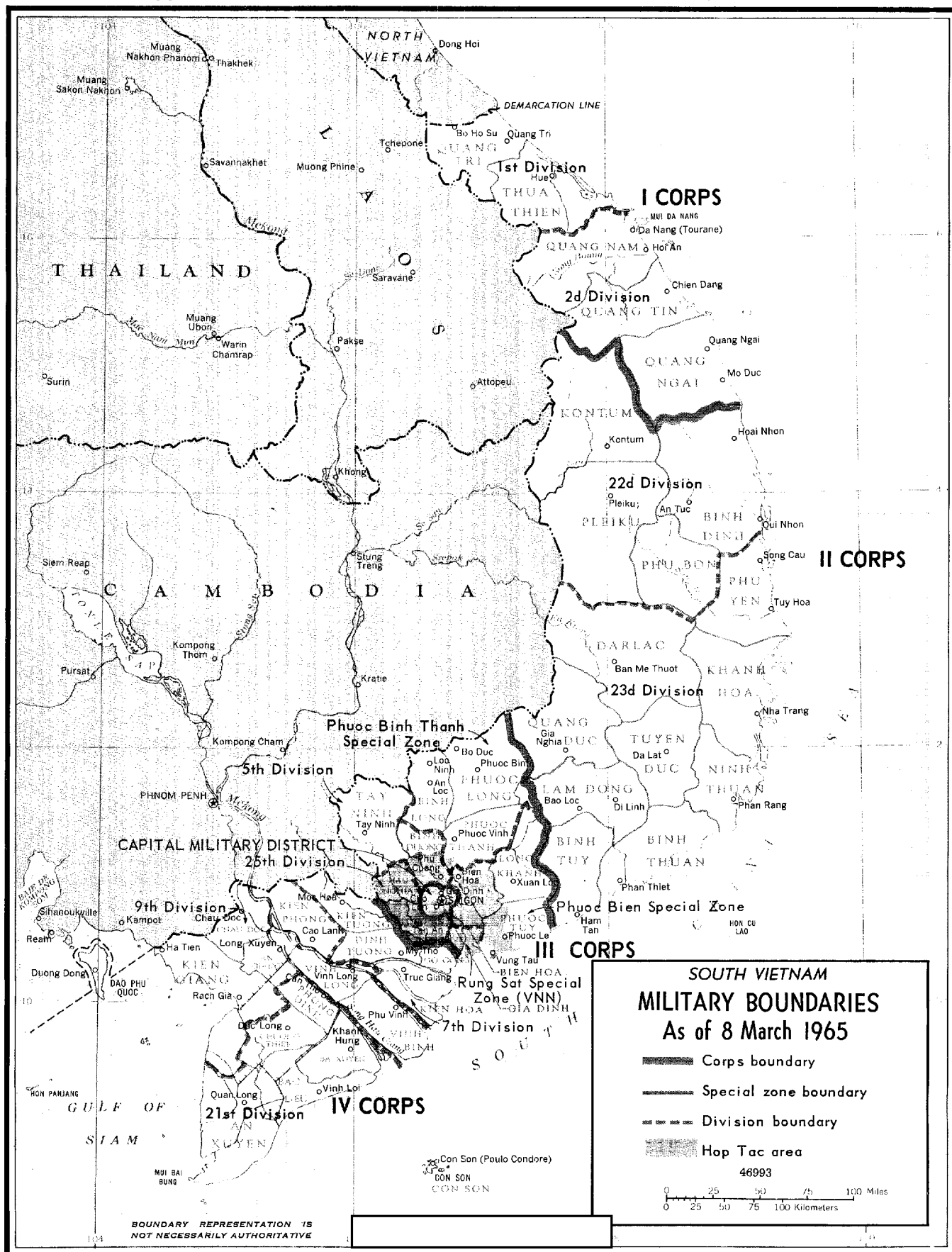
Time Period	Viet Cong Incidents	Small-Scale	BN. Size	Co. Size	Total	Terrorism	Sabotage	Propaganda	Anti-Aircraft
1962	1825	528	--	--	549	839	180	257	--
Jan 1963	927	242	2	8	252	447	49	179	--
1964	1770	218	3	2	223	1244	129	174	--
1965	2206	57	1	5	63	1489	272	170	212
1962	1460	480	--	--	500	613	137	210	--
Feb 1963	788	181	1	13	195	433	69	91	--
1964	2078	211	3	3	217	1389	201	271	--
1965	1982	73	3	6	82	1411	267	91	131
1962	1961	561	--	--	588	660	290	423	--
Mar 1963	1282	333	0	11	344	653	131	154	--
1964	2160	198	1	4	203	1632	158	167	--
1965	2056	80	3	3	86	1476	240	90	164
1962	1933	470	--	--	497	1024	220	192	--
Apr 1963	1331	371	3	9	383	688	105	155	--
1964	2284	211	3	6	220	1738	169	157	--
1965	1860	38	4	1	43	1407	149	96	165
1962	1825	490	--	--	528	892	154	251	--
May 1963	1208	344	0	13	357	608	93	150	--
1964	2143	170	2	3	175	1418	217	140	193
1962	1477	385	1	21	407	736	157	222	--
Jun 1963	1311	398	1	11	410	652	107	142	--
1964	2062	128	2	10	140	1390	176	162	194
1962	1564	437	1	10	448	735	158	223	--
Jul 1963	1368	398	1	8	407	698	80	183	--
1964	3045	166	12	7	185	2132	286	224	218
1962	1642	368	0	9	377	885	146	233	--
Aug 1963	1349	356	1	11	368	647	113	221	--
1964	2580	107	3	3	113	1775	315	173	204

A T T A C K S

Time Period	Viet Cong Incidents	Small-Scale	BN. Size	Co. Size	Total	Terrorism	Sabotage	Propaganda	Anti-Aircraft
1962	1375	382	0	9	391	624	178	182	--
Sep 1963	1763	483	3	17	503	889	164	207	--
1964	3091	110	4	4	118	1938	482	178	375
1962	1357	406	1	12	419	583	189	166	--
Oct 1963	1422	363	0	6	369	802	105	150	--
1964	2827	75	6	2	83	1790	480	197	277
1962	1311	411	3	7	421	614	144	132	--
Nov 1963	3182	631	3	11	645	1990	269	278	--
1964	1982	57	1	2	60	1391	247	109	175
1962	1346	375	1	8	384	670	107	185	--
Dec 1963	1882	258	0	3	261	1228	111	251	--
1964	2504	81	6	9	96	1719	318	128	243

Composite Annual Totals

1962	19,076	5295	41	173	5509	8875	2060	2676	No Data
1963	17,813	4358	15	121	4494	9735	1396	2161	No Data
1964	28,526	1732	46	55	1833	18656	3178	2080	1879
1965	8,104	248	11	15	274	5783	928	447	672



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